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09/945,296	08/31/2001	Manoel Tenorio	020431.0955	2038
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EXAMINER				
JOHNSON, GREGORY L				
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary**Application No.**

09/945,296

Applicant(s)

TENORIO, MANOEL

Examiner

GREGORY JOHNSON

Art Unit

3691

Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 27 December 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-32 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-32 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
- Paper No./Mail Date: _____

- 4) ☐ Interview Summary (PTO-413)
- Paper No(s)/Mail Date: _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Status of Claims

1. Claims 1-32 are pending. Claims 1-4, 9-10, 11-14, 19-20, 21-24, 29-30, 31 and 32 are amended. Claims 5-8, 15-18 and 25-28 are as previously presented. Claims 1-32 have been examined.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-10 and 21-32 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. There are four (4) statutory categories for claiming an invention and they are as follows:

- 1) process or method (which may be process of making something or a process of using something),
- 2) a machine or apparatus,
- 3) a manufacture (article), and
- 4) a composition of matter.

In regards to the independent claims 1, 21, 31 and 32, the Examiner has interpreted the claims are drawn to the apparatus statutory category because of their use of either "computer", "computer-readable medium" or "system". However, the claims also use "market participants", "buyers" and "sellers" (i.e. human beings). Apparatus claims cannot include a human being. In the instant case, the claims are

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rejected under 35 U.S.C. 101 because they include the use of human beings, which is nonstatutory subject matter. See MPEP 2105, the last paragraph.

Claims 2-10 and 22-30 are rejected because of their dependency on claims 1 and 21.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

5. Claims 1-5, 7, 9-15, 17, 19-25, 27, and 29-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over La Mura et al., Pat. No. 7,058,602 (hereinafter La Mura) in view of Kinney Jr. et al., Pat. No. 6,871,191 (hereinafter

Kinney), Wellman Pat. No. 6,9,52,682 (hereinafter Wellman) and Laurie Sullivan, "Evolving From Storefronts To High-Tech Trading (hereinafter Sullivan).

As to claim 1, La Mura discloses the following limitations:

- An electronic marketplace (i.e. online auction system; col. 1, lines 59-64),
- one or more computers collectively supporting the market,

the one or more computers collectively operable to:

- receive offers from one or more market participants (i.e. offer to sell) associated with the first side of the market and from one or more market participants (i.e. offer to buy) associated with the second side of the market (col. 5. lines 14-26).

La Mura does not explicitly disclose the following limitation:

- an electronic marketplace for dynamic pricing in an unbalanced market.

However, Sullivan teaches that there is always an imbalance between supply and demand in the electronic-components industry (i.e. unbalanced market; ¶ 9). Sullivan teaches that many OEMs have built Internet and extranet sites to help move surplus and fill shortages. Sullivan also teaches that this market is very customer-driven and within the market there are dynamic pricing mechanisms that start to take hold (i.e. electronic marketplace for dynamic pricing; ¶ 20-23 and 34). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include in the system for enhanced auction mechanism for online transactions as disclosed by La Mura, the facts of an unbalanced electronic marketplace that has

dynamic pricing as taught by Sullivan since the claimed invention is merely a combination of old elements and known facts, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in that art would have recognized that the results of the combination were predictable.

La Mura also fails to disclose the following limitations:

- a first side of the unbalanced market comprising a plurality of market participants coupled with the electronic marketplace;
- a second side of the unbalanced market comprising a plurality of market participants coupled with the electronic marketplace,
- each market participant associated with the first side of the unbalanced market having a larger market capacity than each market participant associated with a second side of the unbalanced market and
- each market participant associated with the second side of the unbalanced market having a smaller-capacity than each market participant associated with the first side of the unbalanced market.

Examiner's Note: These limitations contain nonfunctional descriptive material and carry no patentable weight. See MPEP 2106.01

However, Sullivan teaches that there is always an imbalance between supply and demand in the electronic-components industry (i.e. unbalanced market; ¶ 9). Sullivan teaches many OEMs have built Internet and extranet sites to help move surplus and fill shortages. Sullivan teaches that this market is very customer-driven and within

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the market there are dynamic pricing mechanisms that start to take hold (i.e. electronic marketplace for dynamic pricing). It is obvious that the marketplace taught by Sullivan has buyers and sellers (i.e. a first-side and a second-side). And it is obvious that some market participants have more capacity than others (e.g. they need to move surplus and fill shortage; ¶¶ 10, 16-17 and 20-23). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include in the system for enhanced auction mechanism for online transactions as disclosed by La Mura, the facts of an unbalanced electronic marketplace that has dynamic pricing as taught by Sullivan since the claimed invention is merely a combination of old elements and known facts, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in that art would have recognized that the results of the combination were predictable.

La Mura also fails to disclose the following limitations:

- each offer comprising at least an offered price and an offered quantity;
- determine a strike price for the match between the first offer and the second offer based on the relationship between the first and second offered prices; and
- match a first offer associated with the first side of the market with a second offer associated with the second side of the market according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer.

However, Kinney teaches that in a system for conducting electronic online auctions each bid (i.e. offer) is a combination of price and quantity (col.8, lines 10-12). Kinney also teaches that the system is capable of selecting the most attractive bid (i.e. matching offers to arrive at a strike price; col.11, lines 24-35 and Fig. 6). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include in the system for enhanced auction mechanism for online transactions as disclosed by La Mura, the two features of the electronic online auction system as taught by Kinney since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in that art would have recognized that the results of the combination were predictable.

La Mura also fails to disclose the following limitation:

- prioritize among any offers associated with the first side of the market that comprise equal offered prices and among any offers associated with the second side of the market that comprise equal offered prices according to a predetermined prioritization scheme, the prioritization among such equally priced offers determining the order in which they are matched with other offers;

Wellman teaches that in a system for matching multi-attribute auction bids a predetermined or preset rules are used to select the order in which bids are matched with offers (e.g. a scheme for determining a winning bid based bidding lowest price, or highest price, or delivery date; col. 9, lines 25-34). It would have been obvious to one of

ordinary skill in the art at the time of Applicant's invention to include in the system for enhanced auction mechanism for online transactions as disclosed by La Mura, the predetermined rules feature of the online auction system as taught by Wellman since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in that art would have recognized that the results of the combination were predictable.

La Mura discloses an online auction system for sellers and buyers (i.e. trading of goods; Abstract and col. 7, lines 61-65). However, La Mura is silent in regards to the market being unbalanced.

Sullivan teaches that there are unbalanced markets, for example, the electronic-components industry (i.e. unbalanced market; ¶ 9). Sullivan also teaches that many OEMs have built Internet and extranet sites to help move surplus and fill shortages (i.e. electronic-components trading; ¶ 20-23 and 34). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include in the system for enhanced auction mechanism for online transactions as disclosed by La Mura, the fact that trading can occur in unbalanced markets as taught by Sullivan since the claimed invention is merely a combination of old elements and known facts, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in that art would have recognized that the results of the combination were predictable.

As to claims 11, 21 and 31-32, La Mura discloses in col. 3, line 20 thru col. 4, line 15 the following:

- A computer-implemented method
- Software embodied in a computer-readable medium
- A system
- An electronic marketplace (i.e. online auction system)

The limitations of claims 11, 21 and 31-32 are equivalent to the limitations of claim 1, and are therefore rejected on the same grounds.

As to claims 2-3, 7 and 10, La Mura discloses in col. 2, line 3-7 and Fig. 1, the following limitations (i.e., market participates = buyers & sellers = client nodes):

- the first side of the unbalanced market comprises a bid side, the market participants associated with the first side of the market comprise buyers, and the offers associated with the first side of the market comprise bids (i.e., market participates = buyers & sellers = client nodes; (col. 2, line 3-7 and Fig. 1),
- the second side of the unbalanced market comprises an ask side, the market participants associated with the second side of the market comprise sellers, and the offers associated with the second side of the market comprise asks (col. 2, line 3-7 and Fig. 1)
- the first side of the market is sealed such that offered prices and offered quantities of offers associated with the first side of the market are

inaccessible to one or more market participants (e.g. sealed bids; col. 8, lines 7-12),

- the relationship between the first and second offers comprises the first offered price being different from the second offered price (col. 5, lines 59-66),
- the strike price for the match between the first and second offers comprises a price between the first and second offered prices (col. 5, lines 59-66), and
- the one or more computers are further operable to remove an offer from the second side of the market without giving one or more market participants any indication whether the offer was removed due to the occurrence of a match between the offer and another offer or due to the cancellation of the offer (col. 7, lines 18-23).

La Mura discloses an online auction system for sellers and buyers (i.e. trading of goods; Abstract and col. 7, lines 61-65). However, La Mura is silent in regards to the market being unbalanced. See Examiner's response to claim 1.

As to claim 4, La Mura fails to disclose the following limitation:

- the second side of the market is open such that offered prices of offers associated with the second side of the market are accessible to one or more market participants.

However, Kinney teaches that bids by suppliers (i.e., sellers) are broadcast to every market participant (col. 41 lines 8-11). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by Kinney within La Mura for the motivation of notifying market bidders to changes in market conditions. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include in the system for enhanced auction mechanism for online transactions as disclosed by La Mura, the bid broadcast feature of the electronic online auction system as taught by Kinney since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in that art would have recognized that the results of the combination were predictable.

As to claim 5, La Mura fails to disclose the following limitation:

- the equally priced offers are prioritized according to the order in which they are received, an earlier-received offer being given a higher priority than a later-received offer having an equal offered price.

However, Wellman discloses a system that selects the matching bid having an earlier delivery date (col. 9, lines 30-34). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include in the system for enhanced auction mechanism for online transactions as disclosed by La Mura, the priority feature of the online auction system as taught by Wellman since the claimed invention is merely

a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in that art would have recognized that the results of the combination were predictable.

As to claim 9, La Mura fails to disclose the following limitation:

- a partial depletion of an offered quantity due to one or more matches is inaccessible to one or more market participants.

However, Kinney discloses a method wherein the unfilled quantity is reduced by the quantity that has been accepted (col. 11, lines 40-51). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include in the system for enhanced auction mechanism for online transactions as disclosed by La Mura, the management of quantity values within the electronic online auction system as taught by Kinney since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in that art would have recognized that the results of the combination were predictable.

The limitations of claims 12-15, 17, 19-20, 22-25, 27 and 29-30 are equivalent to the limitations of claims 2-5, 7 and 9-10, and are therefore rejected on the same grounds.

6. Claims 6, 8, 16, 18, 26 and 28 are rejected under 35 U.S.C. 103(a) as being unpatentable over La Mura, Kinney, Wellman and Sullivan as applied to claims 1, 11 and 21 above, and further in view of Walker et al., Pat. No. 7,039,603 (hereinafter Walker).

As to claims 6, 16 and 26, La Mura fails to disclose the following limitation:

- the relationship between the first and second offers comprises the first and second offered prices being equal to each other (i.e. buyer and seller price offers are equal); and
- the strike price for the match between the first and second offers is equal to the first and second offered prices.

However, Walker teaches a purchasing system that arranges for a buyer to purchase a product from a seller at a first price (col. 5, lines 10-11). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitations as disclosed by Walker within La Mura for the motivation of providing a purchasing system that arranges through a communication network for a buyer to purchase a product from a seller at a first price (col. 3, lines 13-22).

As to claims 8, 18 and 28, La Mura discloses "second-price" auctions where the second-highest bid is the purchasing price. (i.e., strike price) (col. 5, lines 59-66). However, La Mura does not explicitly disclose:

- the strike price for the match between the first and second offers comprises the second offered price plus a predetermined fraction of the price difference between the first and second offered prices.

Walker teaches the purchasing price may not be equal to the first price (col. 5, lines 30-33). Walker also teaches that the first price may be adjusted based on an applicable tax or penalty. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitations as disclosed by Walker within La Mura for the motivation of providing a purchasing system that arranges through a communication network for a buyer to purchase a product from a seller at a first price (col. 3, lines 13-22).

Response to Arguments

7. Applicant's arguments with respect to claims 1-32 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- (a) Huberman Pat No. 6,078,906: "... in a sealed-bid second-price auction, no bidder knows the value of any bid other than its own..." (col. 10, lines 40-41).

- (b) Rackson et al. Pat. No. 6,415,270: "If more than one bid is detected with the same bid value such that a tie occurs, a priority scheme is used to determine which bid is the optimal bid." (col. 13, lines 8-15).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to GREGORY JOHNSON whose telephone number is (571)272-2025. The examiner can normally be reached on Monday - Friday, 8:30AM - 5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ALEXANDER KALINOWSKI can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

GLJ

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/Lalita M Hamilton/

Primary Examiner, Art Unit 3691